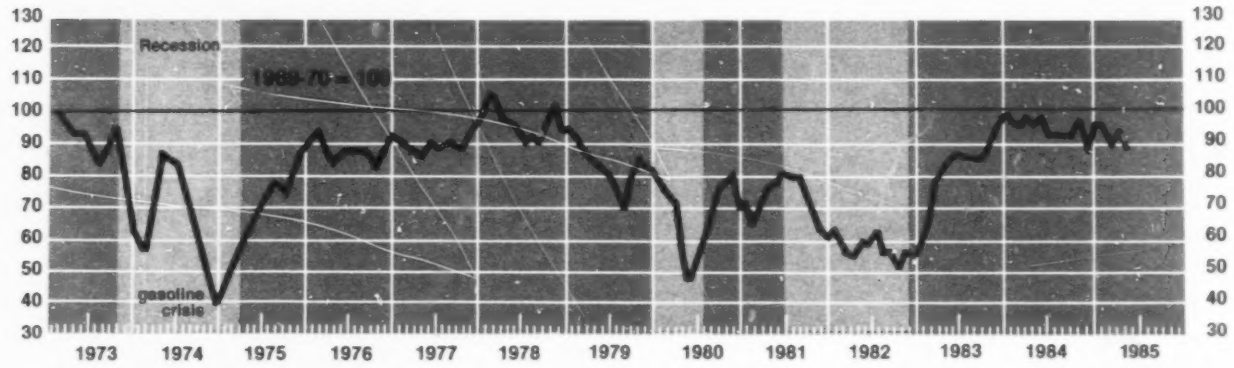
RU105-40

Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

June 1985



CONSUMERS LESS CONFIDENT BUYING PLANS DOWN

Consumers were less confident in May than in April. The Conference Board's Confidence Index (1969-70 = 100) now stands at 86.2, a loss of almost 7 points for the month. Plans to buy are also down for all major products included in the survey.

The consumer's assessment of ongoing conditions is a good deal less positive than last time. In the most recent survey there was a fairly large rise in the proportion of those who believe that present business conditions are "bad", and also in the number who complain that jobs are "hard to get."

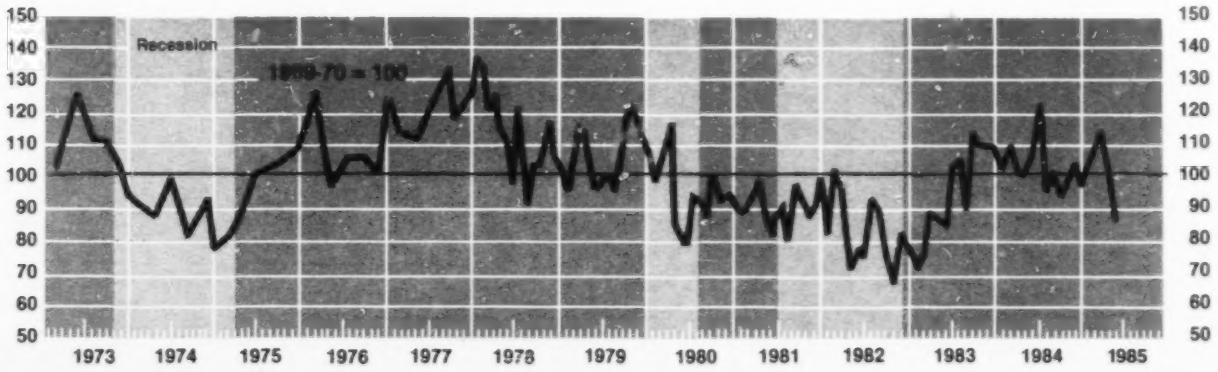
Consumers also appear to be growing somewhat concerned about the immediate future. Only about 18% of all respondents now expect business conditions to improve over the next six months, down from 19.7 percent. There has also been a drop in the number of those who believe the employment situation will improve in the months ahead, from 15% to 13.5 percent. Consumers are also less positive in assessing their own financial circumstances. Fewer than one out of every four expect that their income will rise in coming months; the lowest figure in two years.

Plans to buy are also down. Some 7.2% of all those contacted indicated they plan to purchase a car in the months ahead, compared to 7.9% earlier. Plans to buy a home have dropped sharply, to 2.9% of all respondents from a prior 3.7 percent. And intentions to acquire a major appliance are also much lower than in the previous probe.

For some months now the readings from consumers have been indecisive. However, the most recent figures suggest they are becoming apprehensive about the future. Their level of expectations has lost a good deal of ground since the beginning of the year and it is now lower than it has been in a long time. Consumer expectations have an impressive record of foreshadowing economic events. Perhaps their spirits may still be somewhat deflated by the savings bank crises in Ohio and in Maryland, and will recover once these issues are no longer front page news. However, at this moment the message from the consumer is less than reassuring.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

All series seasonally adjusted	1984 May	Jun	July	Aug	Sept	Oct	Nov	Dec	1985 Jan	Feb	Mar	Apr (r)	May (p)
Appraisal of Present Situation: Percent													
Business Conditions													
Good	26.6	26.8	27.0	27.6	28.7	26.9	29.6	25.6	29.4	28.8	28.3	29.5	27.9
Bad	19.8	18.2	19.8	19.9	19.0	19.7	20.1	22.0	19.1	19.6	19.8	18.1	20.9
Normal	53.6	55.0	53.2	52.5	52.3	53.4	50.3	52.4	51.5	51.6	51.9	52.4	51.2
Employment													
Jobs plentiful	15.6	19.1	17.3	18.1	17.7	16.9	19.1	16.5	18.8	19.8	17.7	19.0	19.1
Jobs not so plentiful	51.2	50.7	49.9	49.0	49.3	49.9	47.8	48.5	50.9	49.4	49.1	51.3	48.0
Jobs hard to get	30.2	32.8	32.8	32.9	33.0	33.2	33.1	35.3	30.3	30.8	33.2	29.7	32.9
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	22.3	23.3	22.2	22.8	23.0	24.3	26.1	20.0	22.0	23.7	19.5	19.7	18.3
Worse	6.9	7.6	8.7	9.0	9.5	8.3	8.6	10.2	7.5	7.5	9.6	8.2	9.0
Same	70.8	69.1	69.1	68.2	67.5	67.4	65.3	69.8	70.5	68.8	70.9	72.1	72.7
Employment													
More jobs	17.8	17.1	16.5	16.7	16.2	18.5	19.2	16.4	17.9	17.2	14.3	15.0	13.5
Fewer jobs	12.2	13.3	15.8	15.2	16.0	16.8	13.7	17.2	14.3	13.7	16.7	15.0	17.3
Same	70.0	69.6	67.7	68.1	67.8	64.7	67.1	66.4	67.8	69.1	69.0	70.0	69.2
Income													
Increase	27.6	29.3	29.5	28.2	27.0	29.1	30.9	26.7	28.9	26.1	26.9	26.2	24.4
Decrease	6.2	6.1	7.6	7.5	7.5	8.6	6.8	7.9	8.2	7.7	7.9	7.2	8.6
Same	66.2	64.6	62.9	64.3	65.5	62.3	62.3	65.4	62.9	66.2	65.2	66.6	67.0
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	8.2	10.0	7.8	8.5	7.0	7.9	8.5	8.1	8.9	9.2	10.1	7.9	7.2
New	4.3	5.1	4.6	4.8	3.6	4.4	4.9	4.6	4.7	4.8	5.3	4.3	4.0
Used	3.2	3.3	2.5	2.8	2.3	2.8	2.7	2.6	2.8	3.1	3.6	2.9	2.5
Uncertain	0.7	1.6	0.7	0.9	1.1	0.7	0.9	0.9	1.4	1.3	1.2	0.7	0.7
Home													
Yes	3.7	3.8	3.0	3.3	3.4	3.3	3.1	2.9	3.2	3.1	3.6	3.7	2.9
New	1.0	1.3	1.0	0.9	1.1	1.1	1.0	1.2	0.8	0.9	0.8	0.9	0.8
Lived in	1.7	1.6	1.3	1.6	1.6	1.4	1.3	1.2	1.5	1.4	1.6	2.0	1.3
Uncertain	1.0	0.9	0.7	0.8	0.7	0.8	0.8	0.5	0.9	0.8	1.2	0.8	0.8
Major appliances													
Total plans	27.1	33.5	25.3	26.5	25.8	27.2	29.5	27.8	27.1	29.5	28.7	25.9	22.3
Refrigerator	3.9	5.0	4.1	4.0	4.1	3.5	4.5	4.2	3.5	3.8	3.9	3.7	3.1
Washing machine	3.6	4.0	2.8	3.4	3.3	3.3	3.9	3.9	3.7	3.6	3.9	4.3	2.8
Black and white TV	0.8	1.3	0.8	0.7	0.7	0.5	1.0	0.7	0.7	0.6	0.8	0.4	0.6
Color TV	7.0	8.4	6.1	7.7	7.0	7.5	7.8	7.0	7.3	8.1	7.6	7.0	6.3
Vacuum Cleaner	4.2	6.0	5.1	4.0	4.1	5.2	4.7	5.0	5.1	5.3	4.5	4.0	3.3
Range	2.4	3.0	2.3	2.6	2.9	2.3	2.9	2.5	2.3	2.9	2.6	2.0	2.2
Clothes dryer	3.2	3.3	2.7	3.0		3.4	3.2	2.9	3.2	3.4	3.2	3.0	2.4
Air conditioner	2.0	2.5	1.4	1.1	1.2	1.5	1.5	1.6	1.3	1.8	2.2	1.5	1.6
Carpet	6.8	8.5	6.2	6.9	6.3	6.9	7.4	7.0	5.8	7.8	7.0	7.1	5.4
Vacation Intended Within Six Months: Percent													
Vacation Intended		49.4		49.0		48.5		45.1		48.8		48.9	
Destination													
Home state		9.9		9.5		10.5		7.2		9.6		9.3	
Other state		34.9		33.7		33.6		31.6		33.7		33.8	
Foreign country		6.7		7.5		6.3		6.8		7.1		8.2	
Means of Travel													
Automobile		33.0		31.3		30.3		26.5		29.6		30.1	
Airplane		17.6		17.3		17.3		17.9		19.3		20.0	
Other		3.9		4.6		3.5		3.7		4.6		5.7	

(p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.